

# 2010 MICHIGAN Business Tax Miscellaneous Nonrefundable Credits

Issued under authority of Public Act 36 of 2007.

Name	Federal Employer Identification Number (FEIN) or TR Number
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## PART 1 - If not taking any credits in Part 1, skip to Part 2.

### NASCAR SPEEDWAY CREDIT. See instructions for tax years ending in 2011.

- |  |    |    |
|--|----|----|
| 1. If eligible for this credit, enter tax from Form 4568, line 12.....   | 1. | 00 |
| 2. Eligible capital expenditures.....  | 2. | 00 |
| 3. <b>NASCAR Speedway Credit.</b> Enter the lesser of line 1, line 2, or \$2,100,000.<br>Carry amount to Form 4568, line 13..... | 3. | 00 |

### STADIUM CREDIT. See instructions for tax years ending in 2011.

- |   |    |    |
|---|----|----|
| 4. If eligible for this credit, enter tax from Form 4568, line 12.....  | 4. | 00 |
| 5. Multiply line 4 by 65% (0.65) .....  | 5. | 00 |
| 6. <b>Stadium Credit.</b> Enter the lesser of line 5 or \$1,700,000. Carry amount to Form 4568, line 14 ..... | 6. | 00 |

### START-UP BUSINESS CREDIT

- |  |    |    |
|--|----|----|
| 7. Start-Up Business Credit (attach MEDC Certificate).....   | 7. | 00 |
| 8. Recapture of Start-Up Business Credit .....   | 8. | 00 |
| 9. <b>Start-Up Business Credit.</b> Subtract line 8 from line 7. Carry to Form 4568, line 15. If less than zero, enter as a negative number..... | 9. | 00 |

## PART 2

- |                                      |     |    |
|--------------------------------------|-----|----|
| 10. Tax from Form 4568, line 19..... | 10. | 00 |
|--------------------------------------|-----|----|

### NEXT ENERGY BUSINESS ACTIVITY CREDIT. If not claiming, carry amount from line 10 to line 13.

- |  |     |    |
|--|-----|----|
| 11. Next Energy Business Activity Credit (attach MEDC Certificate) .....   | 11. | 00 |
| 12. <b>Next Energy Business Activity Credit.</b> Enter the lesser of line 10 or 11. Carry amount to Form 4568, line 20.. | 12. | 00 |
| 13. Tax After Next Energy Business Activity Credit. Subtract line 12 from line 10.....                                   | 13. | 00 |

### RENAISSANCE ZONE CREDIT. If not claiming, carry amount from line 13 to line 15.

If claiming, complete and attach the *Renaissance Zone Credit Schedule*, Form 4595.

- |   |     |    |
|---|-----|----|
| 14. <b>Renaissance Zone Credit.</b> Amount from Form 4595, line 25b. Carry amount to Form 4568, line 21 ..... | 14. | 00 |
| 15. Tax After Renaissance Zone Credit. Subtract line 14 from line 13. If less than zero, enter zero .....     | 15. | 00 |

### HISTORIC PRESERVATION CREDIT. If not claiming, carry amount from line 15 to line 18.

- |  |      |    |
|--|------|----|
| 16. <b>Historic Preservation Credit</b> from Form 4584, line 29.....   | 16.  | 00 |
| 17a. Recapture of Historic Preservation Tax Credit from Form 4584, line 2 .....  | 17a. | 00 |
| 17b. Historic Preservation Credit Net of Recapture. Subtract line 17a from line 16.<br>If less than zero, enter as a negative number. Carry to Form 4568, line 22..... | 17b. | 00 |
| 18. Tax After Historic Preservation Credit. Subtract line 16 from line 15 and add line 17a .....   | 18.  | 00 |

### LOW-GRADE HEMATITE CREDIT. If not claiming, carry amount from line 18 to line 23.

- |   |     |    |
|---|-----|----|
| 19. Current Year Credit. Multiply \$1.00 by number of long tons of qualified low-grade hematite used .....            | 19. | 00 |
| 20. Unused credit from previous period MBT return.....  | 20. | 00 |
| 21. Total Available Credit. Add lines 19 and 20 .....   | 21. | 00 |
| 22. <b>Low-Grade Hematite Credit.</b> Enter the lesser of line 18 or line 21. Carry amount to Form 4568, line 23..... | 22. | 00 |
| 23. Tax After Low-Grade Hematite Credit. Subtract line 22 from line 18.....   | 23. | 00 |
| 24. Credit Carryforward. If line 21 is greater than line 18, enter the difference.....                                | 24. | 00 |

### ENTREPRENEURIAL CREDIT. If not claiming, carry amount from line 23 to line 30. Fiscal year filers, see instructions.

- |   |     |    |
|---|-----|----|
| 25. Payroll of increased new jobs.....  | 25. | 00 |
| 26. Total Michigan payroll.....   | 26. | 00 |
| 27. Credit percentage. Divide line 25 by line 26.....   | 27. | %  |
| 28. Multiply line 23 by line 27 .....   | 28. | 00 |
| 29. <b>Entrepreneurial Credit.</b> Enter the lesser of line 23 or 28. Carry amount to Form 4568, line 24..... | 29. | 00 |
| 30. Tax After Entrepreneurial Credit. Subtract line 29 from line 23. If less than zero, enter zero.....       | 30. | 00 |

**NEW MOTOR VEHICLE DEALER INVENTORY CREDIT.** If not claiming, carry amount from line 30 to line 34.

31. Amount paid to acquire new motor vehicle inventory in the tax year .....	31.		00
32. Multiply line 31 by 0.25% (0.0025) .....	32.		00
33. <b>New Motor Vehicle Dealer Inventory Credit.</b> Enter lesser of line 30 or line 32. Carry amount to Form 4568, line 25.....	33.		00
34. Tax After New Motor Vehicle Dealer Inventory Credit. Subtract line 33 from line 30. If less than zero, enter zero.....	34.		00

**LARGE FOOD RETAILER CREDIT.** If not claiming, carry amount from line 34 to line 38.

35. Michigan compensation.....	35.		00
36. Multiply line 35 by 1% (0.01) .....	36.		00
37. <b>Large Food Retailer Credit.</b> Enter lesser of line 34, line 36, or \$8,500,000. Carry amount to Form 4568, line 26 ...	37.		00
38. Tax After Large Food Retailer Credit. Subtract line 37 from line 34. If less than zero, enter zero.....	38.		00

**MID-SIZE FOOD RETAILER CREDIT.** If not claiming, carry amount from line 38 to line 42.

39. Michigan compensation.....	39.		00
40. Multiply line 39 by 0.125% (0.00125) .....	40.		00
41. <b>Mid-size Food Retailer Credit.</b> Enter lesser of line 38, line 40, or \$300,000. Carry amount to Form 4568, line 27.	41.		00
42. Tax After Mid-size Food Retailer Credit. Subtract line 41 from line 38. If less than zero, enter zero.....	42.		00

**BOTTLE DEPOSIT ADMINISTRATION CREDIT.** If not claiming, carry amount from line 42 to line 46.

43. Expenses incurred in compliance with MCL 445.571 - 445.576.....	43.		00
44. Multiply line 43 by 30.5% (0.305) .....	44.		00
45. <b>Bottle Deposit Administration Credit.</b> Enter the lesser of line 42 or 44. Carry amount to Form 4568, line 28..	45.		00
46. Tax After Bottle Deposit Administration Credit. Subtract line 45 from line 42. If less than zero, enter zero .....	46.		00

**MEGA FEDERAL CONTRACT CREDIT.** If not claiming, carry amount from line 46 to line 48.

47. <b>MEGA Federal Contract Credit</b> from Form 4584, line 38. Carry amount to Form 4568, line 29.....	47.		00
48. Tax After MEGA Federal Contract Credit. Subtract line 47 from line 46. If less than zero, enter zero .....	48.		00

**BIOFUEL INFRASTRUCTURE CREDIT.** If not claiming, carry amount from line 48 to line 51.

49. Amount from <i>Michigan Strategic Fund Energy Office Certificate</i> (attach) .....	49.		00
50. <b>Biofuel Infrastructure Credit.</b> Enter the lesser of line 48 or 49. Carry amount to Form 4568, line 30.....	50.		00
51. Tax After Biofuel Infrastructure Credit. Subtract line 50 from line 48. If less than zero, enter zero .....	51.		00

**INDIVIDUAL OR FAMILY DEVELOPMENT ACCOUNT CREDIT.** If not claiming, carry amount from line 51 to line 57.

52. Contribution amount from MSHDA certificate (attach).....	52.		00
53. Current Individual or Family Development Account (IFDA) Credit. Multiply amount on line 52 by 75% (0.75) .....	53.		00
54. Unused credit from previous period MBT return.....	54.		00
55. Total Available Credit. Add lines 53 and 54 .....	55.		00
56. <b>IFDA Credit.</b> Enter the lesser of line 51 or 55. Carry to Form 4568, line 31 .....	56.		00
57. Tax After IFDA Credit. Subtract line 56 from line 51. If less than zero, enter zero.....	57.		00
58. Credit Carryforward. If line 55 is greater than line 51, enter the difference.....	58.		00

**BONUS DEPRECIATION CREDIT.** If not claiming, carry amount from line 57 to line 65. Fiscal year filers, see instructions.

59. Amount claimed on federal return for bonus depreciation under IRC § 168(k) for the 2008 tax year .....	59.		00
60. Multiply line 59 by apportionment percentage from Form 4567, line 11c. Unitary Business Group filers use apportioned bonus depreciation from Form 4580, Part 2B, line 46b, column C.....	60.		00
61. Multiply line 60 by 0.42% (0.0042) .....	61.		00
62. Unused credit from previous MBT return.....	62.		00
63. Total Available Credit. Add lines 61 and 62 .....	63.		00
64. <b>Bonus Depreciation Credit.</b> Enter the lesser of line 57 or 63. Carry to Form 4568, line 32 .....	64.		00
65. Tax After Bonus Depreciation Credit. Subtract line 64 from line 57. If less than zero, enter zero .....	65.		00
66. Credit Carryforward. If line 63 is greater than line 57, enter the difference.....	66.		00

**INTERNATIONAL AUTO SHOW CREDIT.** If not claiming, carry amount from line 65 to line 68.

67. <b>International Auto Show Credit.</b> Enter the lesser of line 65 or \$250,000. Carry to Form 4568, line 33.....	67.		00
68. Tax After International Auto Show Credit. Subtract line 67 from line 65.....	68.		00

**BROWNFIELD REDEVELOPMENT CREDIT.** If not claiming, carry amount from line 68 to line 70.

69. <b>Brownfield Redevelopment Credit</b> from Form 4584, line 56. Carry amount to Form 4568, line 34.....	69.		00
70. Tax After Brownfield Redevelopment Credit. Subtract line 69 from line 68. If less than zero, enter zero .....	70.		00

FEIN or TR Number:

**PRIVATE EQUITY FUND CREDIT.** If not claiming, carry amount from line 70 to line 75.

71. Total activity of fund manager conducted in Michigan in the tax year .....	71.		00
72. Total activity of fund manager conducted everywhere in the tax year .....	72.		00
73. Credit percentage. Divide line 71 by line 72 .....	73.		%
74. <b>Private Equity Fund Credit.</b> Multiply line 70 by line 73. Carry amount to Form 4568, line 35 .....	74.		00
75. Tax After Private Equity Fund Credit. Subtract line 74 from line 70. If less than zero, enter zero .....	75.		00

**FILM JOB TRAINING CREDIT.** If not claiming, carry amount from line 75 to line 80.

76. Amount from <i>Qualified Job Training Expenditure Certificate</i> provided by Michigan Film Office (attach) .....	76.		00
77. Unused credit from previous period MBT return .....	77.		00
78. Total Available Credit. Add lines 76 and 77 .....	78.		00
79. <b>Film Job Training Credit.</b> Enter the lesser of line 75 or line 78. Carry amount to Form 4568, line 36 .....	79.		00
80. Tax After Film Job Training Credit. Subtract line 79 from line 75. If less than zero, enter zero .....	80.		00
81. Credit Carryforward. If line 78 is greater than line 75, enter the difference .....	81.		00

**FILM INFRASTRUCTURE CREDIT.** If not claiming, carry amount from line 80 to line 86.

82. Amount from <i>Investment Expenditure Certificate</i> provided by Film Office (attach) or assigned credit amount .....	82.		00
83. Unused credit from previous period MBT return .....	83.		00
84. Total Available Credit. Add lines 82 and 83 .....	84.		00
85. <b>Film Infrastructure Credit.</b> Enter the lesser of line 80 or line 84. Carry amount to Form 4568, line 37 .....	85.		00
86. Tax After Film Infrastructure Credit. Subtract line 85 from line 80. If less than zero, enter zero .....	86.		00
87. Credit Carryforward. If line 84 is greater than line 80, enter the difference .....	87.		00

**ANCHOR COMPANY PAYROLL CREDIT.** If not claiming, carry amount from line 86 to line 89.

88. <b>Anchor Company Payroll Credit</b> from Form 4584, line 65. Carry amount to Form 4568, line 38 .....	88.		00
89. Tax After Anchor Company Payroll Credit. Subtract line 88 from line 86. If less than zero, enter zero .....	89.		00

**ANCHOR COMPANY TAXABLE VALUE CREDIT.** If not claiming, carry amount from line 89 to line 91.

90. <b>Anchor Company Taxable Value Credit</b> from Form 4584, line 73. Carry amount to Form 4568, line 39 .....	90.		00
91. Tax After Anchor Company Taxable Value Credit. Subtract line 90 from line 89. If less than zero, enter zero .....	91.		00

# Instructions for Form 4573

## Michigan Business Tax (MBT) Miscellaneous Nonrefundable Credits

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### Purpose

To allow standard taxpayers to claim certain miscellaneous nonrefundable credits. Generally, credits and any carryforwards allowed are calculated here and then carried to the *MBT Nonrefundable Credits Summary* (Form 4568). Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

**NOTE:** This form may also be used by financial institutions to claim a limited number of credits:

- Renaissance Zone Credit
- Historic Preservation Credit
- Individual or Family Development Account Credit
- Brownfield Redevelopment Credit
- Assigned Film Infrastructure Credit.

Insurance companies use the *Miscellaneous Credits for Insurance Companies* (Form 4596) to claim credits for which they are eligible.

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### Special Instructions for Unitary Business Groups

Credits are earned and calculated on either an entity-specific or group basis, as determined by the relevant statutory provisions for the respective credits. Intercompany transactions are not eliminated for the calculation of most credits. Credits earned or calculated on either an entity-specific or group basis by Unitary Business Group (UBG) members are generally applied against the tax liability of the UBG, unless otherwise specified by statute or these instructions.

Entity-specific provisions are applied on a member-by-member basis and are addressed in the “Line-by-Line Instructions.” In none of these cases does a taxpayer that is a UBG take the organization type of its parent, Designated Member (DM), or any other member of the UBG. A UBG taxpayer will not be attributed an organization type based on the composition of its members.

If any member of the UBG is eligible for an entity-specific credit, a statement must be attached to the form identifying the eligible member and any information requested for the credit. If more than one member is eligible, requested information should be provided in the statement on a per member basis. The total amount from all eligible members will be entered on each corresponding line on the form.

To the extent that a qualified taxpayer earning the Brownfield Redevelopment Credit or Historic Preservation Credit is included within a UBG taxpayer for relevant tax years, the qualified taxpayer's unused pre-2008 Brownfield Redevelopment Credit and/or Historic Preservation Credit (that is, such credits earned under the Single Business Tax (SBT)) may be applied against the tax liability imposed on the entire UBG taxpayer (of which the qualified taxpayer is a member) for the tax years the carryforward would have been available under SBT. These carryforwards are claimed on the *MBT Single*

*Business Tax Credit Carryforwards* (Form 4569).

Find additional information on calculating credit carryforwards in the “Supplemental Instructions for Standard Members in UBGs” section in the *MBT Forms and Instructions for Standard Taxpayers* (Form 4600).

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### Line-by-Line Instructions

*Lines not listed are explained on the form.*

**Name and Account Number:** Enter name and account number as reported on page 1 of the applicable MBT annual return (either the *MBT Annual Return* (Form 4567) for standard taxpayers or the *MBT Annual Return for Financial Institutions* (Form 4590)).

**UBGs:** Complete one form for the group. Enter the DM's name and account number.

### PART 1

*If not taking any credits in Part 1, skip to Part 2.*

#### NASCAR Speedway Credit

For tax years that end before January 1, 2017, an eligible taxpayer may claim a credit against the tax imposed by the MBT Act equal to the amount of capital expenditures in this State on infield renovation, grandstand and infrastructure upgrades, and any other construction and upgrades subject to the following:

- For the 2010 tax year, the credit is limited to the lesser of the taxpayer's tax liability or \$2,100,000.
- For the 2011 tax year, the credit is limited to the lesser of the taxpayer's tax liability or \$1,580,000.

**UBGs:** If the eligible taxpayer is a member of a UBG, this credit is calculated against the eligible member's capital expenditures. This credit amount is limited to the lesser of the applicable dollar amount specified above or the pro forma tax liability calculated for the eligible taxpayer for that tax year. The resulting credit amount is then applied toward the UBG's tax liability for that tax year.

An eligible taxpayer must expend at least \$30,000,000 on capital expenditures before January 1, 2011. An eligible taxpayer is any of the following:

- A person who owns and operates a motorsports entertainment complex and has at least two days of sanctioned motorsports events each calendar year which are comparable to NASCAR Nextel Cup events held in 2007 or their successor events.
- A person who is the lessee and operator of a motorsports entertainment complex or the lessee of the land on which a motorsports entertainment complex is located and operates that motorsports entertainment complex.
- A person who operates and maintains a motorsports entertainment complex under an operation and management agreement.

Motorsports entertainment complex and Motorsports event are defined terms in the statute.

**Line 2:** Enter eligible capital expenditures on infield renovation, grandstand, and infrastructure upgrades, and any other construction and upgrades. If eligible capital expenditures were made by a member of a UBG, enter the lesser of the eligible capital expenditures or the eligible member's pro forma liability.

**UBGs:** If the eligible taxpayer is a member of a UBG, a pro forma calculation must be performed to determine the tax liability of the eligible taxpayer prior to this credit. Where a pro forma calculation is required, the underlying objective is to determine what the tax liability of the UBG member generating the credit would have been if that member was not included in the UBG. Therefore, the UBG member generating the credit must calculate its pro forma tax liability as if it was a singular, stand alone taxpayer in all aspects. This supporting calculation should be provided in a statement attached to this form. However, this calculation should never be transferred to a Form 4567 or displayed as such.

**Line 3:** For fiscal years ending in 2011, enter the lesser of line 1, line 2 or \$1,580,000.

### **Stadium Credit**

For tax years that end before January 1, 2013, an eligible taxpayer may claim a credit against the tax imposed by the MBT Act equal to the following:

- For the 2010 tax year, 65 percent of the eligible taxpayer's total tax liability not to exceed \$1,700,000.
- For the 2011 tax year, 45 percent of the eligible taxpayer's total tax liability not to exceed \$1,180,000.
- For the 2012 tax year, 25 percent of the eligible taxpayer's total tax liability not to exceed \$650,000.

An eligible taxpayer who is collectively or individually (including through affiliated companies) an owner, operator, manager, licensee, lessee, or tenant of more than one facility or stadium in Michigan (including grounds and ancillary facilities) that has a capacity of at least 14,000 patrons per facility and is primarily used for professional sporting events or other entertainment may earn a credit in one of two ways:

- The owner, operator, manager, licensee, lessee, or tenant as described above may make a capital investment of not less than \$125,000,000, collectively or individually (including through affiliated companies), into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit and must not have received proceeds from a State appropriation or a public bond issue from a local unit of government or public authority to assist in the construction or debt retirement of the facility, excluding a tax abatement, other waiver of a State or local tax or fee, or a State or local tax or fee from a public entity for road or infrastructure assistance, or
- The owner, operator, manager, licensee, lessee, or tenant as described above may make a capital investment of not less than \$250,000,000, collectively or individually (including through affiliated companies), into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

**Line 4:** Enter the amount from Form 4568, line 12. If the eligible taxpayer is a member of a UBG, enter instead the member's pro forma tax liability. (See information for UBGs below.)

**UBGs:** See guidance on pro forma calculations in the UBG note under line 2.

**Line 5:** For fiscal years ending in 2011, multiply line 4 by 45 percent (0.45).

**Line 6:** For fiscal years ending in 2011, enter the lesser of line 5 or \$1,180,000.

### **Start-Up Business Credit**

The Start-Up Business Credit provides a credit for small, relatively new taxpayers with substantial research and development activity. For a qualified taxpayer, the credit is equal to the taxpayer's MBT liability for the year. To qualify, a taxpayer must apply to and obtain annual certification from the Michigan Economic Development Corporation (MEDC), and attach that certificate to its MBT return. For an application form or additional information, call the MEDC at (517) 373-9808.

For the tax year for which a Start-Up Business Credit is claimed, compensation, director fees, or distributive shares paid by the taxpayer to any one of the following cannot exceed \$135,000:

- A shareholder of a C Corporation or S Corporation. *Shareholder* means a person who owns outstanding stock in a business or is a member of a business entity (for example, an LLC) that files as a corporation for federal income tax purposes. All members of a shareholder's family, as defined by Internal Revenue Code (IRC) § 318(a)(1), that receive compensation from the business are considered shareholders.
- An officer of a C Corporation.
- A partner of a Partnership or Limited Liability Partnership.
- A member of a Limited Liability Company (LLC).
- An Individual who is an owner.

Corporations (and LLCs federally taxed as such) must report compensation and director fees of shareholders and (if a C Corporation) officers on the *MBT Schedule of Shareholders and Officers* (Form 4577) and attach to this form. Partnerships (and LLCs federally taxed as such) must report distributive shares to partners on the *MBT Schedule of Partners* (Form 4578) and attach to this form.

A taxpayer that meets the criteria and that is a qualified start-up business that does not have business income for two consecutive tax years may claim a credit against the tax imposed for the second of those two consecutive tax years and each immediately following consecutive tax year in which the taxpayer does not have business income. For the purposes of this credit, business income excludes funds received from small business innovation research grants and small business technology transfer programs established under the Small Business Innovation Development Act of 1982, Public Law 97-219, reauthorized under the Small Business Research and Development Enhancement Act, Public Law 102-564, and subsequently reauthorized under the Small Business Reauthorization Act of 2000, Public Law 106-554.

A Start-Up Business Credit cannot be claimed for more than a total of five tax years including the number of years the taxpayer was eligible to claim the credit under SBT.

**UBGs:** If the eligible taxpayer is a member of a UBG, this credit is based on the eligible member's business activity only.

This credit amount is limited to the pro forma tax liability calculated for the eligible taxpayer for that tax year. The resulting credit amount is then applied towards the UBG's tax liability for that tax year.

**Line 7:** Enter the tax liability from Form 4568, line 12, or the eligible member's pro forma liability if part of a UBG. Attach supporting MEDC Certification Letter.

**UBGs:** See guidance on pro forma calculations in the UBG note under line 2.

**Line 8:** Enter any recapture of Start-Up Business Credit.

**NOTE:** A company claiming the Start-Up Business Credit under either MBT or SBT must pay back a portion of the credit if they have no business activity in Michigan and have business activity outside of Michigan within three years after the last tax year in which the credit was taken. The following amounts must be added to the tax liability:

- 100 percent of the total of all credits claimed if the move is within the first tax year after the last tax year for which a credit is claimed.
- 67 percent of the total of all credits claimed if the move is within the second tax year after the last tax year for which a credit is claimed.
- 33 percent of the total of all credits claimed if the move is within the third tax year after the last tax year for which a credit is claimed.

## PART 2

### Next Energy Business Activity Credit

The Next Energy Business Activity Credit allows an eligible taxpayer to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

*Qualified business activity* is research, development, or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle, alternative energy technology, or renewable fuel (as defined in the Michigan Next Energy Authority Act).

**Line 11:** Attach the certificate issued by MEDC for this credit to the return to substantiate a claim. (If the certificate is not attached, the credit will be disallowed.)

**UBGs:** If the eligible taxpayer is a member of a UBG, the eligible member's calculated pro forma liability (not the group's liability) must be used to determine the credit amount certified by the MEDC. This supporting pro forma calculation should be provided in a statement attached to this form. However, this calculation should never be transferred to a Form 4567 or displayed as such. See guidance on pro forma calculations in the UBG note under line 2.

For more information, call the MEDC at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).

### Renaissance Zone Credit

The Renaissance Zone Credit encourages businesses and individuals to move into a designated Zone to help revitalize the area by providing a credit for businesses located and

conducting business activity within the Zone.

**Line 14:** Complete and attach the *MBT Renaissance Zone Credit Schedule* (Form 4595) to claim this credit.

If located in more than one zone, complete and attach a separate Form 4595 for each zone. Add line 25b from each Form 4595 and enter the sum on line 14 of Form 4573.

For more information on Renaissance Zones, contact the MEDC at (517) 373-9808 or visit their Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives). For information on the MBT credit, contact the Michigan Department of Treasury, Customer Contact Division, MBT Unit, at (517) 636-4657.

### Historic Preservation Credit

The Historic Preservation Credit provides tax incentives for homeowners, commercial property owners, and businesses to rehabilitate historic resources located in Michigan. Rehabilitation projects must be certified by the State Historic Preservation Office (SHPO).

**Line 16:** Complete the *MBT Election of Refund or Carryforward of Credits* (Form 4584) to claim this credit and elect a refund or carryforward of any excess credit.

**NOTE:** Neither an assigned credit nor a credit carried forward from a prior year is eligible to be refunded.

**Line 17a:** Recapture from Form 4584, Line 2. If the resource is sold or the certification of completed rehabilitation or preapproval letter is revoked less than five years after the historic resource is placed in service, a percentage of the credit may be subject to recapture.

100 percent	If less than 1 year
80 percent	If at least 1 year, but less than 2 years
60 percent	If at least 2 years, but less than 3 years
40 percent	If at least 3 years, but less than 4 years
20 percent	If at least 4 years, but less than 5 years

Questions regarding federal and State certification may be directed to SHPO at (517) 373-1630. For additional information, visit the SHPO Web site at [www.michigan.gov/shpo](http://www.michigan.gov/shpo). Information about Federal Historic Preservation Tax Incentives is available at [www.nps.gov/hps/tps/tax/index.htm](http://www.nps.gov/hps/tps/tax/index.htm).

### Low-Grade Hematite Credit

The Low-Grade Hematite Credit provides a credit equal to one dollar per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process, a process in which low-grade hematite is used as a raw material in the production of pig iron or steel, that is the business activity of the taxpayer. If the credit exceeds the tax liability, the excess may be carried forward for five years.

**UBGs:** The credit is calculated from the aggregate tonnage of qualified low-grade hematite pellets consumed by all UBG members in an industrial or manufacturing process.

**Line 19:** *Low-grade hematite* means any hematitic iron formation that is not of sufficient quality in its original mineral state to be mined and shipped for the production of pig iron or steel without first being drilled, blasted, crushed,

and ground very fine to liberate the iron minerals and for which additional beneficiation and agglomeration are required to produce a product of sufficient quality to be used in the production of pig iron or steel. Qualified low-grade hematite must be produced from low-grade hematitic iron ore mined in the United States.

**Line 20: UBGs:** Enter the carryforward amount from Form 4580, Part 2B, line 51, column C.

**Line 24:** If line 21 is greater than line 18, enter the difference. This is a credit carryforward to be used on the taxpayer's immediately following MBT return.

### Entrepreneurial Credit

For tax years ending in 2010, a taxpayer may claim the Michigan entrepreneurial credit equal to 100 percent of the eligible taxpayer's tax liability attributable to increased employment. This credit is not available for fiscal tax years ending in 2011.

The taxpayer must meet all of the following criteria:

- Has less than \$25,575,000 in gross receipts (adjusted annually for inflation) in the immediately preceding tax year.
- Created or transferred into Michigan at least 20 new jobs in the immediately preceding tax year.
- Made a capital investment in Michigan of at least \$1,250,000 in the immediately preceding tax year. (Cannot include the purchase of an existing plant or the purchase of existing equipment.)
- Is not a retail establishment as described in major groups 52 through 59 and 70 under the Standard Industrial Classification (SIC) Code as compiled by the United States Department of Labor. (However, a restaurant that did not exist, as determined by the State Treasurer, in Michigan in the immediately preceding year before which the credit is claimed and that is not a franchise or a part of a UBG may qualify for the credit.)

Alternatively, a taxpayer that is an eligible business engaged in research and development as defined in Section 407 of the MBT Act and that received an eligible contribution as defined in Section 407 for which a Michigan Economic Growth Authority (MEGA) Research and Development Credit was claimed by another taxpayer may claim the Michigan Entrepreneurial Credit equal to 100 percent of the taxpayer's MBT tax liability attributable to the increased employment for three years if the taxpayer meets all of the following conditions:

- Had less than \$25,000,000 in gross receipts in the immediately preceding tax year.
- Has increased the number of new jobs in Michigan by at least 20 percent from the immediately preceding tax year.

**Recapture Note:** If the new jobs with which the taxpayer qualifies for this credit are relocated outside of Michigan within five years after claiming the credit or if the taxpayer reduces the employment levels by more than 10 percent of the jobs with which the taxpayer qualifies for the credit, that taxpayer is liable in an amount equal to the total of all credits received. Recapture is reported on the *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587).

**UBGs:** If the eligible taxpayer is a member of a UBG, qualification for this credit is determined by that member's activities. The credit amount is based upon pro forma tax liability calculated for that member. See guidance on pro forma calculations in the UBG note under line 2. The resulting credit amount is then applied toward the UBG's tax liability.

**Line 25:** Enter the payroll of increased new jobs in Michigan.

New jobs must meet all of the following criteria:

- Did not exist in Michigan in the immediately preceding tax year.
- Represent an overall increase in full-time equivalent jobs of the taxpayer in Michigan in the immediately preceding tax year.
- Are not jobs into which employees transfer if the employees worked in Michigan for the taxpayer in other jobs prior to beginning the new jobs.

*Payroll* means total salaries and wages before deducting any personal or dependency exemptions.

**UBGs:** If the eligible taxpayer is a member of a UBG, enter only the eligible member's payroll of the increased jobs attributable to Michigan.

**Line 26:** Enter only the payroll attributable to Michigan.

**UBGs:** If the eligible taxpayer is a member of a UBG, enter only the eligible member's payroll attributable to Michigan.

**Line 28: UBGs:** If the eligible taxpayer is a member of a UBG, multiply line 27 by that member's pro forma tax liability for line 23. See guidance on pro forma calculations in the UBG note under line 2.

### New Motor Vehicle Dealer Inventory Credit

A taxpayer that is a new motor vehicle dealer licensed under the Michigan vehicle code, Michigan Compiled Law (MCL) 257.1 to 257.923, may claim a credit against the tax equal to 0.25 percent of the amount paid by the taxpayer to acquire new motor vehicle inventory in Michigan during the tax year.

**Line 31:** *New motor vehicle inventory* means new motor vehicles or new motor vehicle parts.

### Large Food Retailer Credit

An eligible taxpayer may claim a Large Food Retailer Credit equal to 1 percent of the taxpayer's compensation in Michigan, not to exceed \$8,500,000. A taxpayer that claims a Large Food Retailer Credit cannot also claim a Mid-Size Food Retailer Credit.

The taxpayer must meet all of the following criteria:

- Operates at least 17,000,000 square feet of enclosed retail space and 2,000,000 square feet of enclosed warehouse space in Michigan.
- Sells all of the following at retail:
  - Fresh, frozen, or processed food; food products; or consumable necessities.
  - Prescriptions and over-the-counter medications.
  - Health and beauty care products.
  - Cosmetics.

- Pet products.
- Carbonated beverages.
- Beer, wine, or liquor.
- Sales of the items listed above represent more than 35 percent of the taxpayer's total sales in the tax year.
- Maintains its headquarters operation in Michigan.

**Line 35:** Enter compensation attributable to Michigan.

**UBGs:** If the eligible taxpayer is a UBG, enter the compensation attributable to Michigan for the entire UBG.

### Mid-Size Food Retailer Credit

An eligible taxpayer may claim a Mid-Size Food Retailer Credit equal to 0.125 percent of the taxpayer's compensation in Michigan, not to exceed \$300,000.

The taxpayer must meet all of the following criteria:

- Operates at least 2,500,000 square feet of enclosed retail space and 1,400,000 square feet of enclosed warehouse, headquarters, and transportation services in Michigan.
- Sells all of the following at retail:
  - Fresh, frozen, or processed food; food products; or consumable necessities.
  - Prescriptions and over-the-counter medications.
  - Health and beauty care products.
  - Cosmetics.
  - Pet products.
  - Carbonated beverages.
  - Beer, wine, or liquor.
- Sales of the items listed above represent more than 35 percent of the taxpayer's total sales in the tax year.
- Maintains its headquarters operation in Michigan.

**Line 39:** Enter compensation attributable to Michigan.

**UBGs:** If the eligible taxpayer is a UBG, enter the compensation attributable to Michigan for the entire UBG.

### Bottle Deposit Administration Credit

An eligible taxpayer may claim a Bottle Deposit Administration Credit equal to 30.5 percent of the taxpayer's expenses incurred during the tax year to comply with MCL 445.571 to 445.576. *Eligible taxpayer* means a distributor or manufacturer who originates a deposit on a beverage container in accordance with MCL 445.571 to 445.576. *Beverage container* and *distributor* mean those terms as defined under MCL 445.571 to 445.576.

**UBGs:** If the eligible taxpayer is a member of a UBG, enter expenses incurred only by that eligible member. If multiple members of a UBG are eligible taxpayers, combine the expenses of those eligible members.

### MEGA Federal Contract Credit

This credit is available for a qualified taxpayer or collective group of taxpayers that have been awarded a federal procurement contract from the U.S. Department of Defense,

Department of Energy, or Department of Homeland Security resulting in a minimum of 25 new full-time jobs.

**Line 47:** Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact MEDC at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).

### Biofuel Infrastructure Credit

The Biofuel Infrastructure Credit is available to owners of service stations who convert existing delivery systems or create new delivery systems designed to provide E85 fuel or qualified biodiesel blends. *Qualified biodiesel blends* means any biodiesel blend that is blended on site utilizing on-demand bio-blending equipment that is installed after December 23, 2008. The credit is equal to 30 percent of the costs incurred during the tax year, not to exceed \$20,000 per tax year per taxpayer, and is effective for tax years beginning after December 31, 2008, and ending before January 1, 2012. A taxpayer cannot include any conversion or creation costs for which the taxpayer received a grant under the Service Station Matching Grant Program.

A taxpayer that stops using the new or converted fuel system within three years of receiving an MBT credit may, as determined by the Michigan Strategic Fund, have the credit reduced or terminated, or have a percentage of a previously claimed credit added back to its MBT tax liability in the year that the taxpayer stops using the fuel delivery system. Credit recapture is reported on Form 4587.

**UBGs:** If the eligible taxpayer is a member of a UBG, qualification for this credit is determined by that member's activities. The credit is equal to 30 percent of the eligible member's costs incurred during the tax year, not to exceed \$20,000 per tax year per eligible member. The resulting credit amount is then applied toward the UBG's tax liability.

**Line 49:** Approved businesses receive an *Annual Tax Credit Certificate* from the Michigan Strategic Fund Energy Office each year showing the total amount of tax credit allowed. To receive the credit, attach the certificate to the return.

### Individual or Family Development Account Credit

A taxpayer or qualified financial institution may claim a credit for 75 percent of certified contributions made to a reserve fund of a fiduciary organization in accordance with the Individual or Family Development Account Program Act, MCL 206.701 to 206.711. A *fiduciary organization* is a 501(c)(3) exempt, charitable organization approved by the Michigan State Housing Development Authority (MSHDA) to manage a reserve fund. A *reserve fund* is a fund established and managed by a fiduciary organization housed at a financial institution.

This credit is nonrefundable but may be carried forward up to ten years. The credits, combined with the equivalent credits found in the Individual Income Tax Act in MCL 206.276, may not exceed \$1 million annually for all taxpayers. The determination of whether the annual limit is reached will be made by MSHDA, which must certify contributions eligible for a credit, in accordance with the Individual or Family Development Account Program Act.



Attach the certificate issued by MSHDA for this credit to the return to substantiate a claim. (If the certificate is not attached, the credit will be disallowed.)

**NOTE:** For purposes of this credit, *qualified financial institution* is defined by reference to the definition of *financial institution* in the Individual or Family Development Account Program Act, rather than the MBT Act. *Financial institution* for this credit is defined as “a state chartered bank, state chartered savings bank, savings and loan association, credit union, or trust company; or a national banking association or federal savings and loan association or credit union.”

**Line 54: UBGs:** Enter the unused credit amount from Form 4580, Part 2B, line 53, column C.

### **Bonus Depreciation Credit**

For tax years beginning after December 31, 2008, and ending before January 1, 2011, a taxpayer may claim a credit equal to 0.42 percent of the amount of the IRC § 168(k) deduction claimed on the taxpayer's federal return for the 2008 tax year apportioned to Michigan. If the credit exceeds the taxpayer's MBT liability, the excess may be carried forward for ten years or until used up, whichever comes first. This credit applies to all standard taxpayers other than regulated utilities.

**UBGs:** If the eligible taxpayer is a member of a UBG, qualification for this credit is determined by that member's activities, and it is the tax year of each individual member that controls when that member may take a credit. Members with tax years ending before 2011 may claim this credit even if included in a UBG filing where the Designated Member has a fiscal year ending in 2011.

**Line 62: UBGs:** Enter the unused credit amount from Form 4580, Part 2B, line 54, column C.

### **International Auto Show Credit**

A taxpayer who owns, operates, or controls an international auto show in Michigan that meets certain criteria may claim a credit. An international auto show must meet all of the following criteria:

- Promote, advertise, or display the design or concept of products that are designed, manufactured, or produced, in whole or in part, in this State and are available for sale to the general public.
- Use more than 100,000 square feet of floor space.
- Be open to the general public for at least seven consecutive days in a calendar year.
- Have attendance exceeding 500,000.
- Have more than 3,000 credentialed journalists, including international journalists, who attend the auto show.

A taxpayer claiming the International Auto Show Credit must maintain in its records proof that the international auto show satisfies all of the above criteria.

**Line 67:** The credit is equal to the qualified taxpayer's entire MBT liability or \$250,000, whichever is less.

**UBGs:** If the eligible taxpayer is a member of a UBG, a pro forma tax calculation must be attached showing the individual member's tax liability. This credit is equal to the lesser of the member's

entire MBT liability or \$250,000, whichever is less. See guidance on pro forma calculations in the UBG note under line 2.

### **Brownfield Redevelopment Credit**

The Brownfield Redevelopment Credit encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial, public, or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete, or blighted.

**Line 69:** Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

**NOTE:** Neither an assigned credit nor a credit carried forward from a prior year is eligible to be refunded.

The administration of the Brownfield Redevelopment Credit program is assigned to MEGA. For more information on the approval process, contact the MEDC at (517) 373-9808.

### **Private Equity Fund Credit**

An eligible taxpayer may claim a Private Equity Fund Credit equal to the eligible taxpayer's tax liability attributable to the activities as an eligible taxpayer for the tax year after claiming any other credits allowed under the MBT Act multiplied by a fraction, the numerator of which is the total activity of the private equity fund manager conducted in Michigan during the tax year and the denominator of which is the total activity of the private equity fund manager conducted everywhere during the tax year.

*Eligible taxpayer* means a taxpayer that is a private equity fund which serves as a conduit for the investment of private securities not listed on a public exchange by accredited investors or qualified purchasers at any time during which the investment is acquired or subsequently used to claim the credit under this section.

*Accredited investor* means that term as defined under Section 2 of the Securities Act of 1933, 15 USC 77b.

*Qualified purchaser* means that term as defined under Section 2 of the Investment Company Act of 1940, 15 United States Code (USC) 80a-2.

**Line 71:** *Private equity fund manager* means the person or persons responsible for the management of the investments of the eligible taxpayer.

For purposes of this credit, the location of the activity of the private equity fund manager is based on the location of the office from which the fund manager conducts management activity for the eligible taxpayer.

**UBGs:** If the eligible taxpayer is a member of a UBG, enter only the activity of the eligible fund manager conducted in Michigan.

**Line 72:** If the eligible taxpayer is a member of a UBG, enter only the activity of the eligible fund manager conducted everywhere.

**Line 74:** If the taxpayer engages in both private equity fund activities as well as other activities, the amount on line 70 cannot be used. Instead, the taxpayer must do a pro forma

calculation of the tax before this credit based solely on the private equity fund activities.

**UBGs:** To the extent that a private equity fund is part of a UBG, the Private Equity Fund Credit is equal to the tax liability of the eligible member prior to this credit, multiplied by a fraction which is the Michigan activities of the manager over the activities of the manager everywhere. A pro forma calculation must be performed to determine the tax liability of the eligible UBG member prior to this credit. See guidance on pro forma calculations in the UBG note under line 2.

### Film Job Training Credit

An eligible production company may claim a credit equal to 50 percent of qualified job training expenditures in film and digital media for qualified personnel, provided the taxpayer enters into an agreement with the Michigan Film Office, concurred in by the State Treasurer. If the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward to offset tax liability in subsequent years for a maximum of ten years.

**Line 76:** Upon verification that the taxpayer has complied with the agreement terms and the qualified job training expenditures and eligibility are met, the Film Office will issue a *Qualified Job Training Expenditure Certificate* verifying the amount of the credit to be claimed. The certificate must be attached to the return to receive the credit.

**NOTE:** To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent. A credit cannot be claimed for any direct expenditure for which a Film Production Credit was claimed for either an MBT or withholding tax liability.

**Line 77: UBGs:** Enter the unused credit amount from Form 4580, Part 2B, line 56, column C.

**Line 81:** If line 78 is greater than line 75, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at [www.michiganfilmoffice.org](http://www.michiganfilmoffice.org).

### Film Infrastructure Credit

An eligible taxpayer may claim a credit for investment in a qualified film and digital media infrastructure project equal to 25 percent of the base investment expenditures for the project, provided the taxpayer enters into an agreement with the Michigan Film Office, concurred in by the State Treasurer. The credit is reduced by the amount of any Brownfield Redevelopment Credit claimed under Section 437 of the MBT Act for the same base investment. If the credit exceeds the taxpayer's tax liability for the tax year, the excess may be carried forward to offset tax liability in subsequent years for a maximum of ten years.

Upon verification that the taxpayer has complied with the agreement terms and investment expenditures and eligibility are met, the Film Office will issue an *Investment Expenditure*

*Certificate* stating the amount of the credit. The certificate must be attached to the return.

The credit may be assigned in the tax year in which the *Investment Expenditure Certificate* is received but any such assignment is irrevocable. The *MBT Film Credit Assignment* (Form 4589) must be attached to the return on which the credit is claimed.

An assigned credit amount must be claimed against the assignee's MBT liability during the assignee's tax year in which the credit was assigned.

**NOTE:** To qualify for the credit, a taxpayer must not be delinquent in a tax or other obligation owed to Michigan nor be owned or under common control of an entity that is delinquent. A credit cannot be claimed for any direct expenditure for which a Film Production Credit was claimed against either an MBT or withholding tax liability.

If the taxpayer originally awarded this credit sells or otherwise disposes of any tangible assets, the cost of which were included in the base investment, that taxpayer must recapture part of the credit in the year of disposition. Credit recapture is reported on Form 4587.

**Line 83: UBGs:** Enter the unused credit amount from Form 4580, Part 2B, line 57, column C.

**Line 87:** If line 84 is greater than line 80, enter the difference. This is a credit carryforward to be used on the taxpayer's next MBT return.

For more information, contact the Michigan Film Office at 1-800-477-3456 or visit the Web site at [www.michiganfilmoffice.org](http://www.michiganfilmoffice.org).

### Anchor Company Payroll Credit

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

**Line 88:** Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).

### Anchor Company Taxable Value Credit

This credit is available for a qualified taxpayer that was designated by MEGA as an anchor company within the last five years and that has influenced a new qualified supplier or customer to open, locate, or expand in Michigan.

**Line 90:** Complete Form 4584 to claim this credit and elect a refund or carryforward of any excess credit.

For more information, contact the MEDC at (517) 373-9808 or visit the MEDC Web site at [michiganadvantage.org/MIAdvantage/Taxes-and-Incentives](http://michiganadvantage.org/MIAdvantage/Taxes-and-Incentives).